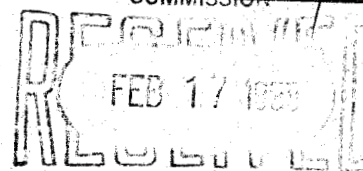
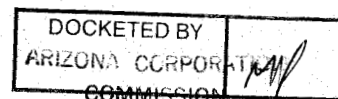


T-010516-99-6005
Arizona Corporation Commission
DOCKETED
MAR 02 1999



Director of Utilities

February 11, 1999

DOCUMENT CONTROL

Idaho Public Utilities Commission
P.O. Box 83720
Boise, Idaho 83720-0074

Re: U.S. West Rate Rebalancing Request; and Pending Local Exchange Sale

To the Commission:

It is with a great deal of concern for the condition and future of telecommunications capacity and service in North Central Idaho that we request your support and assistance. We are members of the board of directors for Valley Vision 2001, Inc., a public-private partnership for economic development, representing nearly 300 employers, educational institutions and local governments in the Lewis-Clark Valley.

On October 30, 1998 U.S. West filed an application for approval of changes in its rates for telecommunications services. On January 15, 1999 the company issued a news release announcing its plans to sell the Lewiston local exchange and others in 10 states. We respectfully request the Commission to view these issues in context with the company's operating history in North Central Idaho, the impact of the proposed rate changes on residential and business customers, the effect of the proposed rate changes on the sale, and the impacts of these issues on the telecommunications future of North Central Idaho.

We ask you to strongly consider these points:

~We do not believe the proposed rate changes should be considered narrowly in the context of rate rebalancing. The company's operating history, our current telecommunications circumstance, and the levels and costs of service in the future are affected by the request. We request that no rebalancing action be taken until a new company has acquired the local exchange. Alternatively, if the Commission is compelled to act favorably on the U.S. West request, then we ask that the order expire as of the effective date of the sale.

~U.S. West has demonstrated a long history of disinvestment in the telecommunications infrastructure of North Central Idaho. The company has been allowed for many years to earn off a system that is now antiquated and inadequate to meet the basic requirements of communities and businesses to remain competitive. The evolution of telecommunications

technology is the lifeline between employers in rural Idaho communities and their customers and suppliers in urban areas. U.S. West's inattentiveness to North Central Idaho communities has widened the gap between Idaho communities and the markets which support our jobs. Now the costs of bringing a neglected system to acceptable standards are daunting. Lewiston and the State of Idaho lost an opportunity for more than 500 new fulltime jobs during 1998 as a direct result of the telecommunications infrastructure inadequacy. North Central Idaho ratepayers should not be burdened with the urgency and higher costs resulting from the neglect, while U.S. West extracts its remaining equity from rural Idaho and reinvests it in urban markets, as it stated in the news release. **We strongly encourage the Commission to require U.S. West to provide appropriate service and capacity upgrades to its North Central Idaho exchanges, and further order that U.S. West participate in the cost of the upgrades prior to approving the sale.**

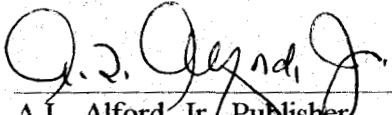
~ U.S. West has a history of neglected customer service during extended transition periods prior to final sale of local exchanges. Anecdotal evidence is available here, in Washington state, and elsewhere in U.S. West's service territories to raise concerns about the levels of service that can be expected from the company, and the resulting impact on employers and residents during these long periods. In the Lewis-Clark Valley, long-standing customer dissatisfaction with U.S. West service has resulted in the formation of an ad hoc group of nearly 100 local employers attempting to find solutions to their common problems with the company. We also are very concerned that prospective new employers will be deterred from coming to North Central Idaho if their basic telecommunications needs are not met with reasonable quality of service and timeliness. **We ask that the Commission assume a strong role in ratepayer advocacy during the long transition period and ensure that already poor service does not deteriorate further.**

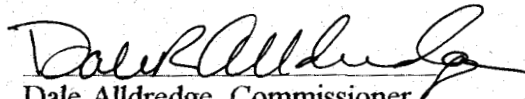
~ A new local exchange carrier must have a sufficient existing customer base, service record, and capital capacity to meet the future needs of North Central Idaho. U.S. West announces its intent to sell its North Central Idaho exchanges at a time when its infrastructure is severely deteriorated and significant investment is required. The company has no digital switching services, an analog switch that is decades-old, and no redundant pathways. If the Commission fails to require U.S. West to provide system and service upgrades prior to the sale, and participate in the cost of those upgrades, a new company will be faced with very significant capital costs to bring the system current. If the new company lacks the capital to make the investment, then the impact on economic development and job creation in North Central Idaho will be very detrimental. If the new company lacks a customer base large enough to absorb those costs within a reasonable rate structure, then the health of the region also will be significantly affected. **We ask the Commission to assert active involvement in the sale approval process to ensure the selected carrier can meet the service levels, quality, and pricing needs of the region.**

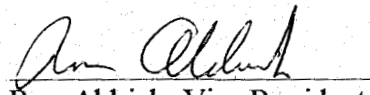
The Idaho Public Utilities Commission can expect Valley Vision 2001 to participate in these issues. We ask the Commission to recognize the consequences of the rate change request of U.S. West and the sale of the company's North Central Idaho exchanges, and to embark on a due diligence and decision-making course that protects the needs of the communities.

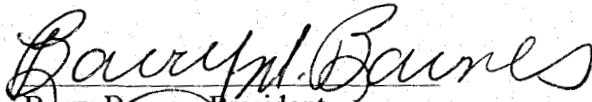
U.S. West's history of neglecting the telecommunications development of North Central Idaho has brought us to a defining point in our social and economic future. Please join us in ensuring that the outcome is truly in the interests of the people of Idaho.

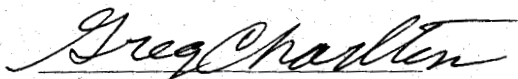
Sincerely Submitted by:

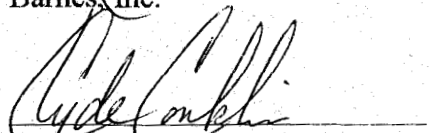

A.L. Alford, Jr., Publisher
Lewiston Morning Tribune

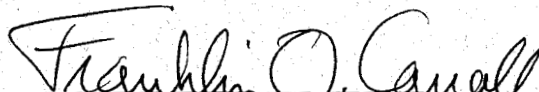

Dale Alldredge, Commissioner
Port of Lewiston

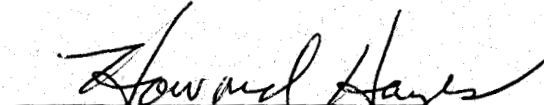

Ron Aldrich, Vice President
First Savings Bank

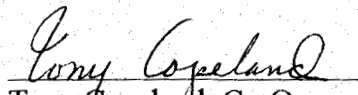

Barry Barnes, President
Barnes, Inc.

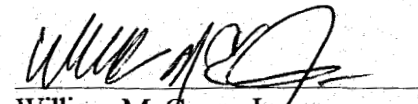

Greg Charlton, President
Seaport Citizens Bank

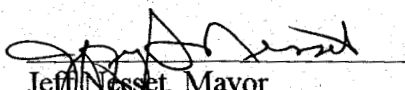

Clyde Conklin, President & CEO
FirstBank Northwest



Frank Carroll, Public Affair Manager
Potlatch Corporation

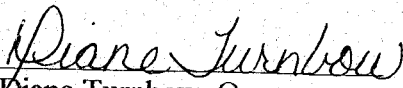

Howard Hayes, President & CEO
St. Joseph's Regional Medical Center

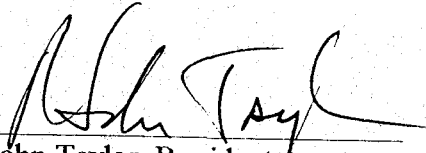

Tony Copeland, Co-Owner
Copeland Auto Village

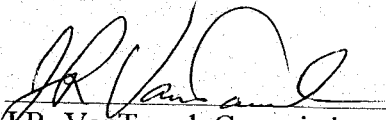

William McCann, Jr.
Attorney


Jeff Nasset, Mayor
City of Lewiston


John Ruch, President & CEO
Regence Blue Shield of Idaho


Diane Turnbow, Owner
Printcraft Printing


John Taylor, President
AIA Insurance


J.R. VanTassel, Commissioner
Nez Perce County

cc: North Central Idaho state legislative delegation.

Public Utility Commissions of: Washington, Arizona, Colorado, Iowa, Minnesota,
Montana, North Dakota, South Dakota, Nebraska, Wyoming.